

better value from both internal and external resources has to be the primary focus of attention.

In response to a question from a Ghana journalist that the IMF and World Bank were not in a dialogue but a monologue with African countries, Stern praised Ghana for its "major program of structural change," i.e., a "massive [currency] devaluation" and measures "eliminating distortions in price structure" with respect to commodities such as cocoa.

Stern then attacked the building of "too many hotels, conference centers . . . airports, steel mills, refineries. . . . These countries accepted projects not in line with their level of development. . . ."

Basic health care was on the approved list, but: "Look at hospitals, they weren't built with evil intent but hospitals can absorb one half the budget of a health ministry while there is a lack of clinics for rural areas. . . ."

Stern indicated that in coordinating bilateral aid to the continent it was no longer acceptable for a country to say "we'll let you know which programs you can finance". . . . We have to look at the entire development strategy."

## De Larosière's press conference

At the Saturday night press conference of the Interim Committee of the Board of Governors of the International Monetary Fund, managing-director Jacques De Larosière was asked by an *EIR* correspondent: "With your emphasis on the need to 'improve the structure of government budgets primarily through reduced spending,' and your continued demand for a drop in the value of the dollar, aren't you really trying to blackmail the United States into budget cuts, particularly cuts in defense spending?"

"And, what has been the U.S. response to this blackmail?"

De Larosière, in an icy-cool voice, explained that this was clearly referring to paragraph 2 of the joint meeting's communiqué, which was "nothing but classical economics." This paragraph, said De Larosière, explained clearly that it was necessary "to improve the structure of government budgets and reduce deficits, primarily through reduced spending." countries."

*EIR*: Can I get any comment on what the U.S. response and discussion was to that?

*De Larosière*: The U.S. agreed fully on that sentence.

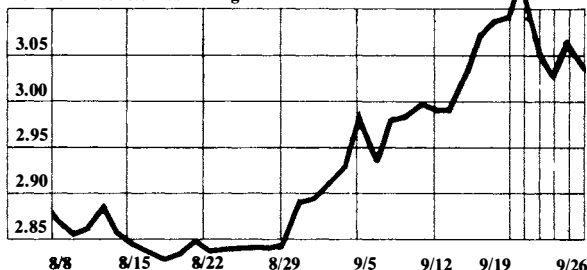
At that point, the lights in the press room went out, and the assembled press corps, caught in the dark and silence after De Larosière's declaration on U.S. agreement, broke into hysterical laughter. In the midst of the laughter, the *EIR* correspondent asked, "Can I have an American confirm that?"

The assembled press responded with more laughter, and someone, who may have been the Belgian finance minister, said, "Now you know [the American response]: The lights went off."

## Currency Rates

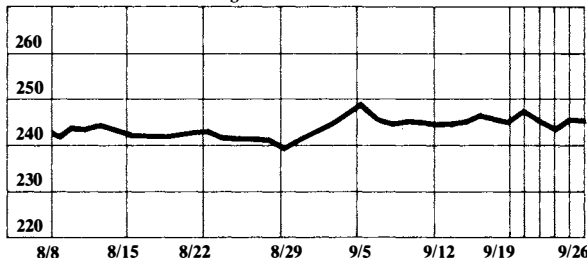
### The dollar in deutschemarks

New York late afternoon fixing



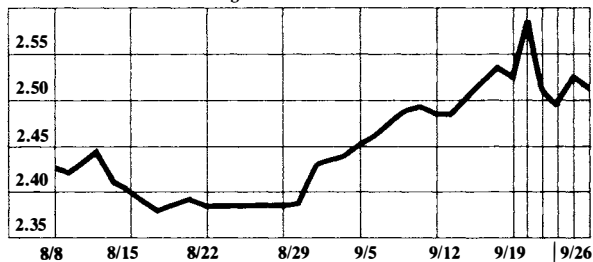
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

